La Caisse centrale Desjardins du Québec

C

desjardins

1984

ONCE A VISION, NOW A REALITY...

This brochure has been created to give you a general picture of the Desjardins Group and what it represents today through its numerous services and areas of activity.

In the pages that follow, we present some of the highlights of our performance in 1983, not so much to boast of the excellent results we have obtained as to give a more complete portrayal of the Group and to indicate, with a minimum of detail, the true scope of the cooperative endeavours in which we are engaged.

Above all, the Desjardins Group represents a spirit of cooperation, of concerted action aimed at achieving economic goals while satisfying the need for constructive social interaction at both the individual and collective levels. Together, the members, elected officers and employees of the Desjardins caisses populaires, caisses d'économie and other institutions are not only the owners, but the chief architects of this major cooperative undertaking.

A REMARKABLE VISION

In developing his concept of the "caisse populaire", Alphonse Desjardins was motivated by the desire to instill in his fellow citizens the idea that they could do away with the scourge of usury, then very prevalent both in Quebec and Canada, by developing the habit of saving and providing for the future. Collective savings, he reasoned, could become a source of credit for the benefit of the entire community. The Caisse could serve not only as a place to deposit savings but also, through judicious loans, as a source of support for small businesses in the community, thereby helping to strengthen the local economy.

In time, Mr. Desjardins believed, "thousands of such local institutions, owned and administered by the depositors themselves... would create a capital base appropriate to the size and strength of the Quebec population; a capital base that would free the French Canadian nation, from an economic point of view, and allow Quebecers to take charge of their own destinies..."

A NETWORK ACHIEVED

Our founder's vision was not wishful thinking, nor was it based on abstract idealism. On the contrary, it was very realistic, a bold plan based strictly on practical, though innovative and demanding action. Generations of Quebecers have proven Mr. Desjardins right, building step by step, year by year, a network of human and financial resources which today represent an economic force of 20 billion dollars.

The spirit and vision with which Alphonse Desjardins founded the first caisse populaire in 1900 has not dimmed with time. If the vast network he foresaw has now been established, it is only to serve as a foundation for expanding and intensifying the Desjardins Group's activities and fulfilling its primary mandate — to improve the quality of life of each and every one of its members.

Indeed, though much has been accomplished, there are still a great many challenges ahead...

Raymond Blais,
Président,
La Confédération des caisses populaires et d'économie Desjardins du Québec

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Cover
A graphic representation of the Desjardins Group's constant evolution and multi-dimensional nature. The steps represented by the word "desjardins" symbolize the twelve months of the financial year.

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NOTES TO THE READER

1. Unless otherwise indicated, the figures given in this report reflect the situation on December 31, 1983 or the results obtained as at that date;

2. Enclosed in the back cover of the brochure is a detachable poster containing a graphic representation of the structure of the Desjardins Group and a chart listing the companies with which Société d'investissement Desjardins is currently associated.

A UNIQUE ACHIEVEMENT

It has been said that the Desjardins Group represents one of the greatest collective achievements of the people of Quebec. Without question, it has involved the participation of a far greater number of Quebecers than any similar undertaking. Indeed, since savings and credit cooperatives form the very foundation of the Group, it has virtually as many components as it does members...

The Desjardins Group is a network based on cooperative principles and offering a wide array of financial services. If the Group currently enjoys an extremely healthy balance sheet, strengthened by an enviable diversification of assets and activities, it is not the result of some initial master plan to create a vast financial empire. Rather, it is due to the fact that the Caisses — the basic units of the Group — have worked hard to find solutions to the particular needs of their individual communities.

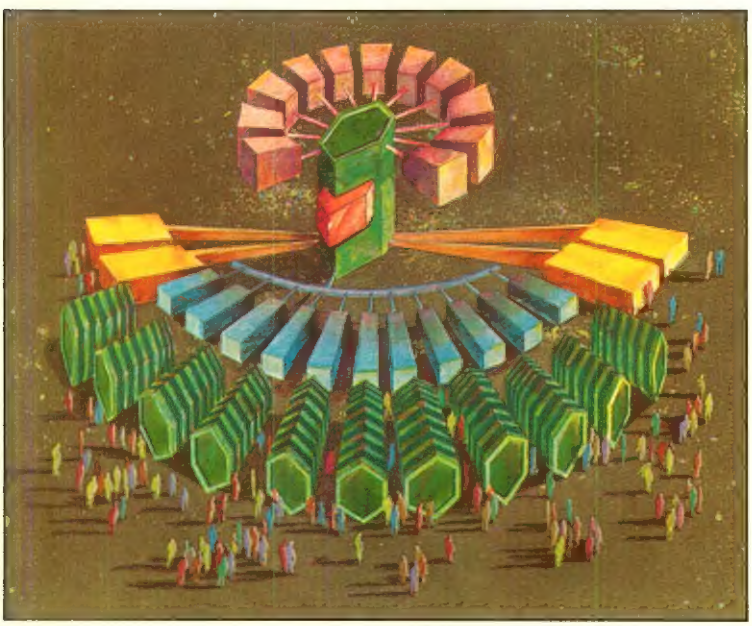
At an early stage of their development the Caisses recognized the importance of forming regional associations to help ensure their continued survival. These associations, now called Federations, were created as autonomous organizations administered by representatives from their local Caisses. The essential role of the Federations was to further the development of the Caisses through timely advice, unity of action, and consolidation of resources.

To strenghthen the links between themselves and lend greater unity and impact to their activities, the Federations in turn created a province-wide association, La Confédération des caisses populaires et d'économie Desjardins du Québec, which was reponsible for the orientation, planning and coordination of all Desjardins Group operations. The Confederation was also given the mandate of inspecting and auditing the operations of the Caisses and Federations and acting as the Group's official spokesman.

In the Desjardins view, the most pressing socio-economic problems affecting Quebecers were connected with savings and credit. Once these services were made available to the Quebec population at large, the Group began looking into other areas where it might be of service. Thus, the eventual establishment of the Confederation's four member institutions, three concerned with providing personal and property insurance coverage and a fourth offering financial trust services.

In time, a number of other institutions were created by the Group, adding new dimensions to its potential for effective action in areas such as education, housing and international cooperation, to name but a few. In addition, through investments by different institutions, as well as by the Federations and the Société d'investissement Desjardins, the Group has acquired major equity in a number of successful companies.

Since its policy has always been to serve the goals of the entire population, as opposed to the special interests of a small group of investors, the Desjardins Group has not developed along altogether traditional lines. Nevertheless, its foundations are sound. By maintaining its democratic structure the Group ensures its ability to remain aware of its members' needs and provide the kind of services that will benefit them the most. Which, in the end, is the best guarantee of continued success in the future.



See organization chart inside back cover.

caisses populaires desjardins
caisses d'économie desjardins

A STRONG FOUNDATION

Caisses populaires and caisses d'économie are the cornerstones of the Desjardins Group in Quebec, providing members with access to a complete array of regular and specialized financial services and giving them a say in their own economic future.

Caisses populaires operate at the neighbourhood or local level, while caisses d'économie represent the joint endeavours of members in the same workplace or sharing the same occupation. In more than 400 villages and municipalities throughout Quebec, the local Caisse, a non-profit organization serving the individual and collective needs of its members, is the only financial institution in the community.

The Caisse d'économie of the M.U.C. (Montreal Urban Community) Policemen's Brotherhood.

DEMOCRATIC INSTITUTIONS

A Caisse is a savings and credit cooperative, an autonomous local financial institution owned and administered by its members and their representatives in accordance with democratic principles.

Caisse members take part in policy-making at general meetings. The Caisse's business is conducted by a Board of Directors, a Supervisory Board and a Credit Committee, all of which are elected by and from the membership at an annual general meeting and report to the members at each general meeting. Day-to-day operations are the responsibility of a manager who answers to the Board of Directors.

Caisses are attentive to their members' needs.

A WIDE RANGE OF SERVICES

Desjardins Caisses offer a comprehensive range of savings and credit services. Members are also provided with various related services, including access to a number of specialized financial services offered by other Desjardins Group institutions.

Federations of Caisses populaires Desjardins
Federation of Caisses d'économie Desjardins

As the savings and credit cooperative model he had first conceived and implemented in Lévis in 1900 spread throughout Quebec, the founder of the caisse populaire movement, Alphonse Desjardins, sought to unite the various Caisses into a province-wide federation to promote their development and strengthen their operational effectiveness in management, accounting and cooperative activities. But Desjardins was unable to realize these goals during his own lifetime.

Shortly after his death in 1920, the first of ten regional caisse populaire federations was organized. The others gradually emerged between 1921 and 1944, with the general role of promoting and preserving the common goals of the affiliated Caisses. An eleventh provincial Federation of Caisses serving groups of employees or members of various professional occupations, the Fédération des caisses d'économie du Québec, was founded in 1962, joining the Desjardins Group in 1979.

ROLES AND ACTIVITIES

The Federations promote the development and efficient operation of their affiliated Caisses by supplying technical and financial services, including training for employees and elected officers, communications, marketing of services offered to members, technical support, selection, hiring and management of human resources, management of liquid assets and investments, and financial management.

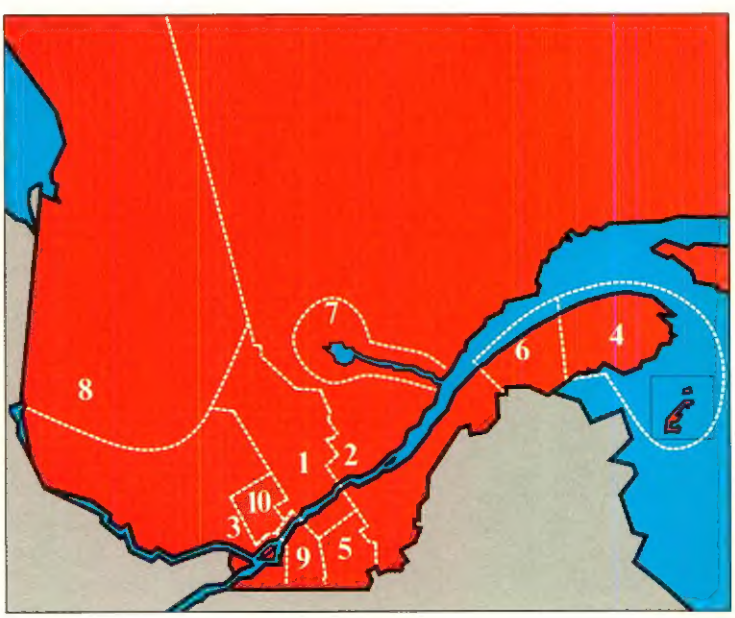
The Federations also cooperate, either directly or through the intermediary of the Confederation, in developing measures, consensus policies and management and communications tools to strengthen the operations of their basic units, the Caisses.

SECOND-LEVEL COOPERATIVES

The principles of cooperative organization and democratic administration that apply at the local Caisse level also govern the Federations, whose officers are the elected representatives of the member Caisses.

The following list indicates the year in which each member federation was founded and the number of affiliated Caisses (F.C.P.D. stands for Fédération des caisses populaires Desjardins):

1. F.C.P.D. du centre du Québec
   1920 — 139 Caisses
2. F.C.P.D. de Québec
   1921 — 328 Caisses
3. F.C.P.D. de Montréal et de l'Ouest-du-Québec
   1924 — 346 Caisses
4. F.C.P.D. de la Péninsule et des Îles
   1925 — 44 Caisses
5. F.C.P.D. de l'Estrie
   1934 — 79 Caisses
6. F.C.P.D. du Bas Saint-Laurent
   1937 — 81 Caisses
7. F.C.P.D. du Saguenay-Lac Saint-Jean
   1943 — 70 Caisses
8. F.C.P.D. de l'Abitibi
   1944 — 42 Caisses
9. F.C.P.D. de Richelieu-Yamaska
   1944 — 76 Caisses
10. F.C.P.D. de Lanaudière
    1944 — 47 Caisses
11. Fédération des caisses d'économie Desjardins du Québec
    1962 — 163 Caisses



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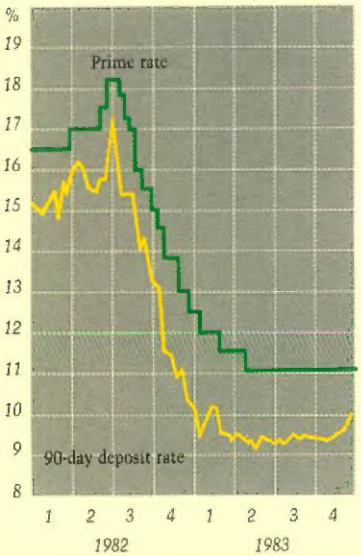
La Caisse centrale Desjardins du Québec ("Caisse Centrale") was established on June 22, 1979 by an act of the Quebec Legislature. It commenced operations on October 14, 1981.

The eleven Federations of Caisses and the member institutions of the Confederation are members of the Caisse Centrale, which may also admit as members other institutions of the Desjardins Group and other Canadian cooperative corporations.

Most of the Caisse Centrale's share capital is held by the eleven Federations of the Desjardins Group. The principal function of the Caisse Centrale is to act as financial agent for the Desjardins Group. In this capacity it manages a liquidity fund for its member Federations.

The Caisse Centrale's prime rate



OPERATIONS

The Caisse Centrale obtains its operating funds from deposits by the Federations, from governmental and paragovernmental entities and other depositors, and from the short and medium term Canadian capital markets. From these funds, it makes loans to its members and to other Desjardins Group corporations, as well as to large and medium-size business corporations and governmental and paragovernmental entities whose credit needs exceed the capabilities of individual Caisses or Federations.

As a direct clearing member of the Canadian Payments Association, the Caisse Centrale guarantees and settles payment items drawn upon the Caisses, the Federations and the Caisse Centrale.

The Caisse Centrale is also a member of financial syndicates formed to sell securities issued by governmental and paragovernmental entities and can participate in the distribution of securities issued by any cooperative organization in Canada.

HIGHLIGHTS OF 1983

- August 31: debt securities issued by the Caisse Centrale qualified as eligible investments for life insurance companies, pension funds and certain other Canadian financial institutions;
- September 20: the Desjardins Group assumed responsability for clearing payment items drawn on the Caisses with other members of the Canadian Payments Association, and the Caisse Centrale began managing financial operations related to settling payment items directly with the Bank of Canada;
- December: the Desjardins Group's lengthy negotiations to obtain its fair share of the Canadian government's business with financial institutions were successfully concluded, and the Caisse Centrale began receiving major deposits in this respect on behalf of the Group.
- despite falling interest rates, the real return on the Caisse Centrale's securities portfolio, after accounting for inflation, was comparable to that of 1982;
- the loan portofolio grew from $219 million to $539 million, with zero loan losses and no non-performing loans outstanding at year-end;
- total assets rose by 45%.

SOME FIGURES		*Annual increase (decrease)*
Total assets	$1,563,456,596	45.5%
Loan portfolio	$ 539,149,985	146.2%
Securities	$ 943,347,200	13.6%
Deposit liabilities	$1,088,078,782	71.5%
Issued and fully paid capital	$ 409,403,000	—
Total income	$ 115,464,289	(18.3%)
Income before remuneration of capital stock	$ 47,484,152	(21.6%)
Number of employees	61	

la confédération des caisses populaires et d'économie desjardins du québec

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The head office in Lévis.

A PROVINCIAL MEETING POINT

La Confédérations des caisses populaires et d'économie Desjardins du Québec (the "Confederation") is the province-wide organization responsible for the orientation, planning and coordination of all Desjardins Group operations.

Such a definition implies that the Confederation plays the usual role of a major corporate head office, a central point where all major strategic or administrative decisions are made. However, this is not the case in the Desjardins Group.

SERVICE FUNCTIONS

Historically and structurally, the Caisses are at the core of the Desjardins Group's activities, existing in order to provide the financial services required by their customer/members, to maintain the quality and diversity of these services and to adapt them to changing needs.

Like the Federations, the Confederation is a service organization whose essential objective is to support and strengthen the Caisses in their operations and assist them in the constant improvement of their services to members. The Confederation's activities are therefore mainly geared to the services it can provide to its own members (the 11 Federations and four specialized institutions) and its other affiliated organizations, as well as to the services it is mandated to provide directly to local Caisses.

Under the terms of the Savings and Credit Unions Act, the Confederation is responsible for inspecting and auditing the operations of the Caisses and Federations. It also provides them with common services in such fields as legal counsel, labour relations, human resources development, socio-economic research, communications, service development, organization, data systems development, document management, real estate and supplies.

The entrance hall of the head office building.

WORKING TOGETHER

In practice, it is the Confederation that is responsible for defining the objectives common to all member entities of the Desjardins Group, in order to ensure overall unity of purpose and action. The democratic process is always respected in establishing these orientations and priorities, through delegation of authority from the members to the Confederation and by means of regular meetings at all levels of the organization, opinion surveys and consultations, conferences, dialogues and work sessions. Key decisions are therefore generally the product of a wide-ranging consensus.

Number of employees	965

HIGHLIGHTS OF 1983

THE ECONOMY IN GENERAL

In comparison to 1982, with its destabilizing effects on the entire economic structure of Canada and Quebec, 1983 marked a clear upturn toward economic recovery, as evidenced by the following major indicators:

- the Canadian GNP reported a net rise of 3%, while consumer spending increased by 3.5%;
- production of goods and services in Quebec experienced an increase of 3%, after accounting for inflation;
- the rate of inflation slowed significantly, falling from 10.8% in 1982 to 5.8% in 1983;
- interest rates remained relatively stable, though still high;
- the number of Quebec housing starts in 1983 (40,300) was nearly 70% higher than in 1982;
- finally, a climate of confidence in the future seems to have taken hold on all fronts, favouring a gradual recovery of normal economic activity.

Despite these positive factors, some consequences of the recession have continued to weigh heavily, and their economic effects have not yet been dispelled:

- jobs lost in Quebec have not all been recovered; the average unemployment rate remained at 14.0% in 1983 (12.1% throughout Canada);
- private investment remained low;
- the federal and provincial governments reported large deficits.

THE DESJARDINS GROUP

Apart from the highlights reported by the various Caisses, Federations or institutions, a number of major events were particularly significant to the Desjardins Group as a whole in 1983, including:

- the April meeting of the International Liaison Committee on Savings and Credit Cooperation, held for the first time in Montreal;
- participation in the Quebec Youth Summit, held in Quebec City in August;
- the unveiling of a monument erected by the Historic Sites and Monuments Commission of Parks Canada to the memory of Alphonse Desjardins, in the heart of the Cité Desjardins complex in Lévis, Quebec (September 20);
- the assumption of responsibility by the Caisse Centrale for clearing payment items with other members of the Canadian Payments Association and settling these items directly with the Bank of Canada (September 20);
- the launching of the Fonds de récupération Desjardins, a fund established for the purpose of developing a newsprint recycling network and a deinking plant (October 24);
- the first federal government deposits with the Desjardins network, through the Caise Centrale (December 16).
- The extension of deposit insurance from $20,000 to $60,000 by the Régie de l'assurance-dépôts du Québec and the takeover of the Canadian clearing and settlement system by the Canadian Payments Association also had a considerable impact on various levels of the Desjardins Group in 1983.

OTHER MAJOR DEVELOPMENTS

Other major developments in 1983 included:

- ongoing major revision of the Group's integrated telecommunications and data processing system (S.I.C.);
- establishment of province-wide training sessions on cooperation by the Desjardins Cooperative Institute;
- revision of loan insurance and savings/life insurance plans;
- study on the uses of micro computers in the Caisses;
- introduction of Visa-Desjardins travellers' cheques, etc.

GROWTH INDICATORS FOR 1983

At the Caisse level:	
• share capital	3.2%
• savings deposits	9.3%
• reserves	21.8%
• investments	−17.6%
• personal loans	25.6%
• mortgage loans	18.6%
• all loans	21.0%
• total assets	11.8%
Through the Desjardins Group:	
• total savings	13.3%
• investments	−11.2%
• loans to individuals and families	5.8%
• housing loans	24.8%
• loans to agriculture and fishing	13.4%
• loans to commercial and industrial companies and cooperatives	21.4%
• total loans	21.8%
• total assets	13.4%

BALANCE SHEET

as at December 31, 1983 (unaudited)

ASSETS	*Caisses*[1]	*Caisses, Federations and Caisse Centrale*[2]	
	$000	*$000*	*%*
Cash resources			
• Cash and notes on hand	356,946	401,964	2.2
• Deposits at the Bank of Canada and in chartered banks	677	66,079	0.4
• Deposits in Caisses and Federations	2,240,429	—*	0.0
• Items in transit and others	—	170,745*	1.0
Total cash resources	**2,598,052**	**638,788**	**3.6**
Securities			
• Liquid securities	1,240,726	2,673,408*	15.0
• Investments	24,315	361,961	2.0
• Other securities	350,909	237,360*	1.4
Total securities	**1,615,950**	**3,272,729**	**18.4**
Loans			
• Personal loans	4,516,173	5,135,859*	28.9
• Mortgage loans	8,070,267	8,143,498*	45.8
Total loans	**12,586,440**	**13,279,357**	**74.7**
Fixed assets	**254,470**	**286,438**	**1.6**
Other assets	**228,969**	**310,271***	**1.7**
TOTAL ASSETS	**17,283,881**	**17,787,583**	**100.0**

LIABILITIES AND MEMBERS' EQUITY			
Deposits			
• Savings accounts with chequing	3,350,464	3,784,986	21.3
• Non-chequing savings accounts	5,013,080	5,013,080	28.2
• Term deposits	6,740,443	7,412,430	41.6
Total deposits	**15,103,987**	**16,210,496**	**91.1**
Loans payable	801,911	57,588*	0.3
Other liabilities	456,638	514,869*	2.9
Total liabilities	**16,362,536**	**16,782,953**	**94.3**
Members' equity			
• Share capital	341,561	341,808*	1.9
• Undistributed surplus earnings	143,872	170,550	1.0
• Reserves	435,912	492,272	2.8
TOTAL LIABILITIES AND MEMBERS' EQUITY	**17,283,881**	**17,787,583**	**100.0**

1) The first column of the balance sheet shows the position of Desjardins caisses populaires, caisses d'économie and caisses de financement

2) The second column shows the overall position of the Caisses, the Federations and the Caisse Centrale, eliminating overlaps in the transactions between these levels of the Desjardins network while combining their respective balance sheets

** Items adjusted to eliminate overlaps between levels.*

Source La Confédération des caisses populaires et d'économie Desjardins du Québec, 1983 Annual Report.

STATEMENT OF INCOME

for the year ended December 31, 1983 (unaudited)

	1982	*1983*
	$000	*$000*
Interest income		
• Interest on loans	1,800,177	1,647,777
• Interest on cash and investments	466,034	357,758
• Total interest income	2,266,211	2,005,535
less:		
Interest expense[1]	1,522,246	1,145,709
Net interest income	743,965	859,826
plus:		
Income from services	74,606	104,949
Net interest income and income from services	818,571	964,775
less:		
Non-interest expenses		
• Salaries and staff benefits	337,938	372,404
• Loan losses for the year	77,333	85,085
• Other expenses	295,752	337,766
• Total non-interest expenses	711,023	795,255
UNDISTRIBUTED SURPLUS EARNINGS[2]	107,548	169,520

Note: This statement of income reports the combined income of the Caisses, the Federations and the Caisse Centrale.

1) This item includes amounts paid by the Caisses in the form of interest on share capital: $29,601,000 in 1982 and $21,656,000 in 1983.

2) The difference between the undistributed surplus reported in the balance sheet (page 10) and the amount shown in the statement of income is attributable to the fact that the Caisses and Federations do not all end their financial year on the same date and that each unit's surplus is distributed several months after the end of its financial year.

Source: La Confédération des caisses populaires et d'économie Desjardins du Québec, 1983 Annual Report.

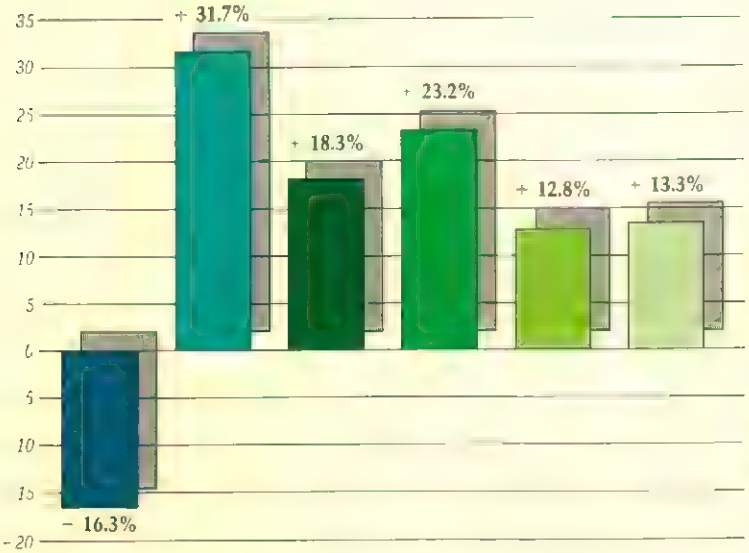
DISTRIBUTION OF LOANS OUTSTANDING

as at December 31, 1983

Loan categories	*Caisses*[1]	*Caisses, Federations and Caisse Centrale*	
	$000	*$000*	*%*
Personal loans			
• Family budget	196,810	196,810	1.5
• Automobile	681,108	681,108	5.1
• Durable goods	152,222	152,222	1.1
• Education	311,617	311,617	2.3
• Loan consolidation	862,940	862,940	6.4
• Others	316,371	317,619	2.4
Total personal loans	**2,521,068**	**2,522,316**	**18.8**
Housing loans			
• Purchase of new homes	2,691,417	2,691,417	20.0
• Purchase of existing homes	2,700,544	2,700,544	20.1
• Renovation	687,563	687,563	5.1
• Others	1,384,266	1,402,786	10.4
Total housing loans	**7,463,790**	**7,482,310**	**55.6**
Loans to businesses			
• Farming	754,927	814,999	6.0
• Fishing	8,484	8,484	0.1
• Commercial and industrial companies and cooperatives	1,559,546	1,945,495	14.5
• Caisses, Federations and other Desjardins Group organizations	—	78,052	0.6
Total loans to businesses	**2,322,957**	**2,847,030**	**21.2**
Loans to public bodies and other loans			
• Municipalities	56,925	71,613	0.5
• School boards	349,130	442,500	3.3
• Others	35,865	82,544	0.6
Total	**441,920**	**596,657**	**4.4**
Total loans	12,749,735	13,448,313	100.0
Less:			
Provision for loan losses	163,295	168,956	—
NET TOTAL	**12,586,440**	**13,279,357**	—

(1) The amounts in Column 1 includes loans by Desjardins caisses populaires, caisses d'économie and caisses de financement.

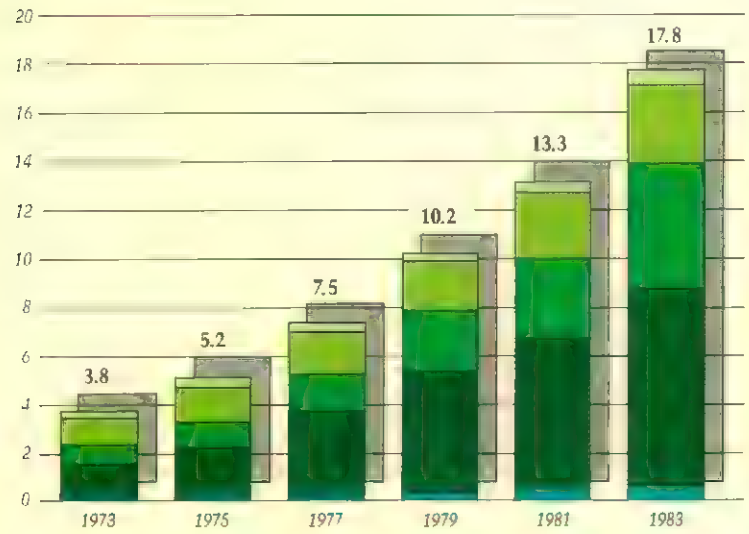
Source: La Confederation des caisses populaires et d'economie Desjardins du Québec, 1983 Annual Report.



GRAPH 1

Growth of main combined balance sheet items of Caisses, Federations and the Caisse Centrale for 1983.

- Portfolio (liquid securities, investments and other securities)
- Personal loans
- Mortgage loans
- Total loans
- Total assets
- Total deposits



GRAPH 2

Growth of consolidated assets of the Caisses, Federations and Caisse Centrale for the past ten years[1] (in billions of $)

- Cash resources
- Securities portfolio
- Personal loans
- Mortgage loans
- Other assets

(1) The consolidated assets of the Caisses and their regional Federations were augmented by those of the Caisse Centrale in 1981, the Fédération des caisses d'économie du Québec and its affiliated Caisses in 1979, the Quebec Credit Union League and its affiliated credit unions in 1981, the caisses Desjardins de financement (previously known as caisses d'entraide économique) in 1982, and the Fédération de Montréal des caisses Desjardins and its affiliated Caisses in 1982.

DESJARDINS INSTITUTIONS:

serving their members and the Quebec community

Before he developed the caisse populaire concept, Alphonse Desjardins had considered the possibility of creating an insurance company to protect families in the event of the father's death, since in those days the father was usually the only breadwinner.

But the persistent presence of usury, or loansharking, a widespread problem in Canada before the turn of the century, convinced Mr. Desjardins to redirect his priorities to finding ways to channel people's savings back into their community in the form of accessible credit at fair terms. His efforts resulted in the establishment of a network of caisses populaires, or savings and loan associations, the first of which was founded in Lévis on December 6, 1900.

Cite Desjardins in Levis.

ANOTHER PHASE

However, Mr. Desjardins had not given up the idea of developing organizations to complement the Caisses' public service activities while operating on the same principles. In a speech on the caisse populaire concept to a youth congress in Quebec City in June 1908, he referred to the Caisse's role in "economic social work" and envisaged "a vast array of productive activities" in conjunction with the Caisses

Alphonse Desjardins did not have time to fulfill this dream before his death in 1920. In any case, he was a bit ahead of his time.

The Caisses had to increase their number and solidify their position before they could expand into new fields. Once they had combined their forces by forming the Federations and creating the Confederation, it was finally time to use their "institutions" as intermediaries for providing other types of services.

Between 1944 and 1982, the Caisses, through their Federations and the Confederation, founded or acquired the sixteen financial institutions and corporations described in the following pages. Depending on their relationship with the Confederation these organizations fall into two categories:

A. Member institutions of the Confederation
— Le Groupe Desjardins, Assurances générales
— Assurance-vie Desjardins
— La Sauvegarde Compagnie d'assurance sur la vie
— Fiducie du Québec

B. Affiliated institutions
— Société d'investissement Desjardins
— Crédit Industriel Desjardins Inc.
— La Caisse centrale Desjardins du Québec
— L'institut Coopératif Desjardins
— La Fondation Girardin-Vaillancourt
— Société de développement international Desjardins Ltée
— La Société d'habitation Alphonse Desjardins
— Corporation de fonds de sécurité de la Confédération Desjardins
— Sécurité Desjardins Ltée
— Corporation Desjardins de traitement informatique
— Centre Desjardins de traitement de cartes Inc.
— La Société historique Alphonse-Desjardins

Complexe Desjardins, Montreal.

LE GROUPE DESJARDINS ASSURANCES GÉNÉRALES

HEAD OFFICE
100 Trans-Canada Highway East
Lévis, Quebec G6V 6P9
(418) 835-4324

Le Groupe Desjardins, Assurances générales (G.D.A.G.) was formed by a 1981 merger of La Société d'assurance des Caisses Populaires (created in 1944) and The Security General Assurance Company of Canada (founded in 1940 and acquired by the Desjardins Group in 1963). The new company, incorporated under the laws of Quebec, offers a complete range of damage insurance products for individuals, private companies and Desjardins caisses populaires and caisses d'économie.

A new federally-chartered Security General Assurance of Canada, a wholly-owned subsidiary of the G.D.A.G., was incorporated at the same time, specializing in performance bonds for contractors, licences and permits.

A car, a house, property to protect .

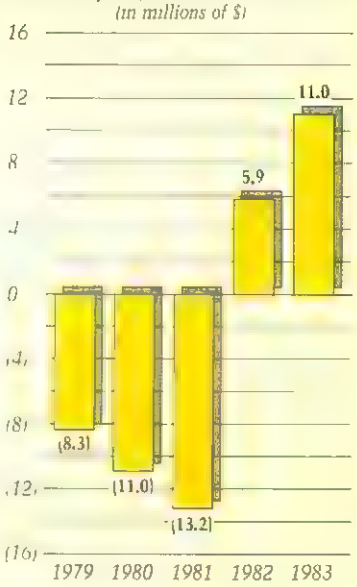
SERVICES

- Automobile insurance
- Residential insurance
- Business insurance
- Caisse property and civil liability insurance
- General insurance packages for Caisses
- Performance bonds

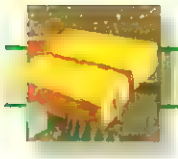
HIGHLIGHTS OF 1983

- Launching of five new insurance products:
  — ***Budget Formula*** and ***Limited Replacement Value*** (residential insurance),
  — ***Champion Plan*** (automobile and residential insurance),
  — ***Desjardins Protection*** (improved property and civil liability insurance plan for Caisses),
  — ***Privilege Plan*** (damage insurance for all Desjardins Group employees);
- redemption of most share reinsurance, with a resulting 28.4% increase in net premiums earned;
- computerization of underwriting and claims settlement operations for the Personal Insurance Department and Claims department;
- a 16% net return on shareholders' equity at the beginning of the year; reduction of operation costs by $3.9 million (15%).

Income (loss) before income taxes
(in millions of $)



SOME FIGURES		Annual increase (decrease)
Assets	$150,865,000	9.3%
Investment portfolio	$121,460,000	27.5%
Net premiums earned	$ 83,101,000	28.2%
Claims and settlements costs	$ 48,847,000	46.2%
Income before income taxes	$ 11,038,000	86.1%
Net income	$ 5,685,000	115.9%
Number of employees	482	

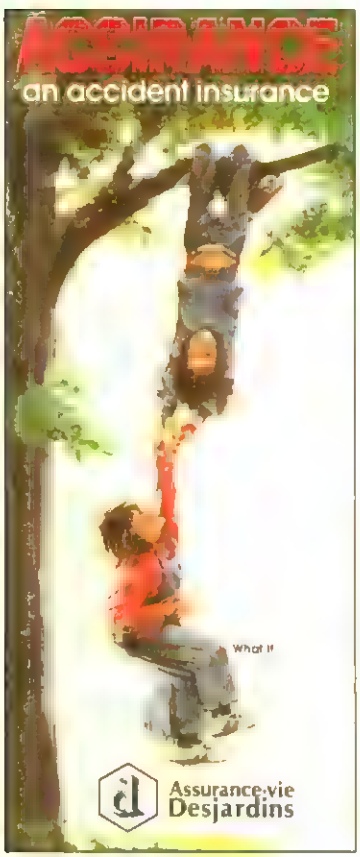


Assurance-vie Desjardins

HEAD OFFICE
200 avenue des Commandeurs
Lévis Québec G6V 6R2
(418) 835-2534

Assurance-vie Desjardins is a mutual life insurance company owned by its policyholders and the Caisses and other Desjardins Group institutions which have contributed to its reserve fund.

Founded in 1948, the company quickly emerged as an innovator in the Quebec insurance field, launching a family insurance plan in 1953, savings and loan life insurance plans in 1954, making a vigourous entry into the group insurance market in 1955, and acquiring a reputation for practical and original services (such as "Accirance" accident insurance).



SERVICES

Federally chartered since 1959, Assurance-vie Desjardins offers a wide range of personal insurance services, including:

- individual insurance and annuities,
- group insurance and annuities,
- loan insurance (life and disability)
- savings/life insurance,
- supplementary pension plans, etc.

The company serves the public through a number of distribution networks, including life underwriters based in twelve regional agencies throughout Quebec, group insurance consultants, caisses populaires and caisses d'économie.

HIGH RANKINGS

- Quebec's number-one company for many years in terms of life insurance in force;
- the second leading company in the Quebec personal insurance market (1982);
- ranks 71st among more than 1200 life insurance companies in North America for insurance in force (1981).

HIGHLIGHTS OF 1983

- 35th anniversary of the company's founding;
- January 1: the group insurance management contract for members of the Office de la construction du Québec came into force; the company already had contracts for members of Quebec's largest teachers' union, the Centrale de l'enseignement du Québec (C.E.Q.), management personnel in the Quebec public and paragovernmental sectors, nurses in Quebec hospitals, employees of the Quebec Social Affairs Department, and employees of La Presse, Hydro-Québec, Lavalin and other companies;
- April: launching of the "Flexivie" variable premium policy and of the acquisition premium;
- establishment of an integrated computerized management system for group insurance;
- Accirance reported remarkable success, with a 170% increase in policies in force;
- 85% increase in individual annuity contributions;
- strong rise in assets (17%), members' equity (25%) and insurance in force (15%);
- a very sharp increase (390%) in net income, the highest in the history of Assurance-vie Desjardins.

SOME FIGURES		*Annual increase (decrease)*
Total income	$ 287,017,000	5.7%
Benefits and annuities paid	$ 143,895,000	(1.4%)
Dividends	$ 10,982,000	33.0%
Net income	$ 6,689,000	390.0%
Total assets	$ 685,051,000	16.7%
Insurance in force	$18,549,145,000	15.2%
Return on investments	12.05%	
Number of employees	560	
Number of agency managers and life underwriters	114	

LA SAUVEGARDE
COMPAGNIE D'ASSURANCE SUR LA VIE

HEAD OFFICE
1 Complexe Desjardins
Montreal, Quebec H5B 1E2
(514) 285-7700

Founded on October 7, 1901, by Guillaume-Narcisse Ducharme, whose family remained the principal shareholders until 1962, La Sauvegarde was constituted as a company with social equity under the laws of Quebec in April 1903 and received its federal charter in 1911.

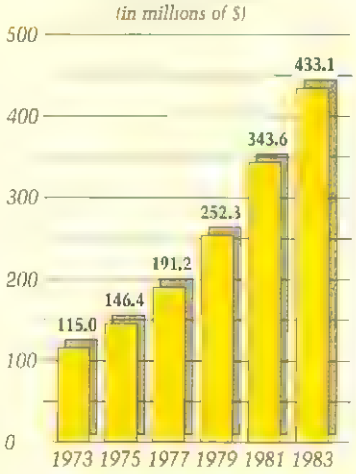
On August 7, 1962, the Desjardins Group acquired the Company with the aim of strengthening its own presence in the life and health insurance and pension plan fields. At the same time, the acquisition by Desjardins ensured the continued Quebec ownership of the Company.

SERVICES

La Sauvegarde is represented by life underwriters based in fifteen regional offices throughout Quebec, and specializes in most insurance of persons services, particularly:
- individual life insurance;
- group life insurance and related services;
- various types of individual and group annuities;
- retirement savings plans...

Life insurance, a key component in a family's financial security, can also cover career-related responsibilities

Growth of assets
(in millions of $)



HIGHLIGHTS OF 1983

- January: launching of "Action Retraite", a new individual annuity plan;
- December: La Sauvegarde was selected from among five bidders to initiate a takeover of L'Économie Mutuelle-Vie with the eventual aim of a merger between the two insurance companies;
- assets grew by 11%;
- administrative costs rose by only 2%;
- relatively unfavourable claims experience in health and disability insurance (a general situation in the 1983 economic climate);
- income before income taxes was more than triple the previous year's level;
- 48% rise in net income.

SOME FIGURES		*Annual increase (decrease)*
Total income	$119,816,000	(1.9%)
Premium and contribution income	$ 63,062,000	(3.2%)
Investment income	$ 33,055,000	7.6%
Benefits and annuities	$ 77,502,000	(1.9%)
Profit	$ 1,038,000	47.6%
Assets	$433,067,000	11.2%
Capital and retained earnings	$ 35,439,000	2.8%
Actuarial liabilities and other provisions	$379,776,000	12.1%
Insurance and annuities in force (total)	$5,674,062,000	4.3%
Individual life insurance and annuities	$1,387,278,000	7.3%
Group life insurance and annuities	$4,286,784,000	3.3%
Number of employees	372	

Fiducie du Québec

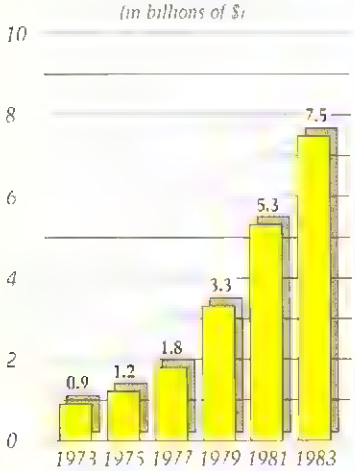
HEAD OFFICE
1 Complexe Desjardins
P O Box 34, Desjardins Station
Montreal, Quebec H5B 1E4
(514) 286-9441

Established by a group of Quebec businessmen, Fiducie du Québec received provincial incorporation in September 1962. In January 1963, the Desjardins Group acquired the fledgling trust company to broaden the range of financial services offered by its member Caisses.

Fiducie du Québec, which commenced operations in June 1963, now has six major regional offices in Quebec and holds permits to operate in most Canadian provinces.

Like any other trust company, Fiducie du Québec offers specialized savings and financial services. It also takes responsibility for management and safekeeping of assets and securities and serves as a financial go-between in major transactions.

Assets under management
(in billions of $)



SERVICES

Fiducie du Québec offers a wide-ranging array of services to individuals, companies and institutions, including:

- various savings and investment options;
- mortgage financing;
- trust services for individuals;
- trust services for companies and public bodies;
- portfolio and pension fund management;
- safekeeping of securities . . .

REGIONAL OFFICES

— Chicoutimi
— Laval
— Longueuil
— Montreal
— Quebec City
— Sherbrooke

HIGHLIGHTS OF 1983

- Acquisition of a block of stock representing 20% of the outstanding shares of Crédit Industriel Desjardins;
- acquisition of Fiducie Populaire, formerly owned by the Fédération des caisses populaires Desjardins de Montréal et de l'Ouest-du-Québec;
- issuing of the first limited securities brokerage permit ever granted to a trust company in Quebec or Canada, allowing Fiducie du Québec to offer stock savings plans and indexed securities investment plans that only traditional securities brokers could previously offer.

A Fiducie du Quebec service center in Complexe Desjardins Montreal

SOME FIGURES		*Annual increase (decrease)*
Total income	$ 110,228,000	8.0%
Income before income taxes	$ 4,415,000	76.5%
Net income	$ 3,170,000	108.4%
Assets	$ 839,487,000	16.0%
Shareholders' equity	$ 28,092,000	18.5%
Mortgage portfolios	$ 706,312,000	20.1%
Assets under management	$7,471,109,000	12.1%
Portfolios under management	$ 621,900,000	37.7%
Securities in safekeeping	$4,453,863,000	3.2%
Number of employees	427	

société sid d'investissement desjardins

HEAD OFFICE
1 Complexe Desjardins, Suite 1222
P.O. Box 760, Desjardins Station
Montreal, Quebec
H5B 1B8
(514) 281-7676

The purpose of Société d'investissement Desjardins, since it commenced operations in 1974, has been to stimulate, through the infusion of new capital, the growth and development of industrial and commercial enterprises in Quebec, and to contribute, thereby, to the province's economic progress.

To fulfill the requirements of its role as an active partner, SID concentrates its resources in a limited number of companies, with priority to those offering attractive growth potential and sound profitability.

SID looks for investment opportunities ideally ranging between $1,000,000 and $10,000,000 representing between 20% and 49% of a company's voting shares.

PARTNERS OF SOCIÉTÉ D'INVESTISSEMENT DESJARDINS

SUBSIDIARIES:
- Crédit Industriel Desjardins Inc.
- Sico Inc.
- Culinar Inc.

AFFILIATE COMPANIES:
- Société de Gestion Sidly Inc.
- Canam Manac Inc.
- Provost Corporation Ltd
- La Vérendrye Management Corporation

PORTFOLIO INVESTMENT
- Nordair Ltd

SERVICES

- Infusion of growth capital through the purchase of shares;
- support in expansion, diversification and acquisition projects, as well as in such areas as strategic planning and government assistance.

These services are obviously intended for businesses.

HIGHLIGHTS OF 1983

- Net infusion of $1.1 million in the share capital of Crédit Industriel Desjardins Inc.;
- infusion of $0.3 million in common shares of La Vérendrye Management Corporation;
- sale to the Quebec government, under the terms of the 1981 agreements, of the balance of the equity held in Quebecair since 1979;
- injection of $8 million in the capital stock of Culinar Inc. to assist this company in the acquisition of Imasco Foods Ltd.

SOME FIGURES		*Annual increase (decrease)*
Total consolidated assets	$456,654,630	23.0%
Shareholders' equity	$ 85,821,948	6.7%
Gross operating revenue	$329,458,533	16.0%
Earnings before unusual item and extraordinary items	$ 9,718,450	112.8%
Net earnings	$ 6,339,006	170.9%
Net earnings per share	11.70	169.6%
Number of SID employees	17	
Number of partners' employees	11 093	

CRÉDIT INDUSTRIEL DESJARDINS INC

HEAD OFFICE
1 Complexe Desjardins
Suite 1204
Montreal, Quebec H5B 1B2
514 281 7650

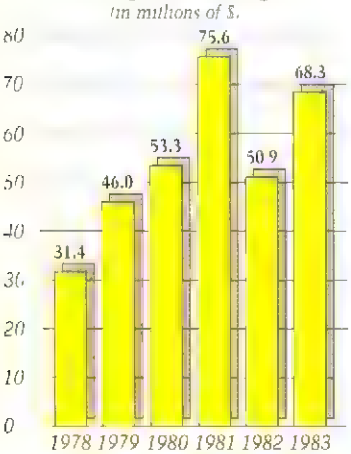
In 1975, the Desjardins Group formed Crédit Industriel Desjardins(CID) to offer term financing to small and medium-sized businesses. CID soon gained an enviable position in this sector of the Quebec economy, with its activities extending to all regions of the province.

Branches:
Laval, Montreal, Quebec City, South Shore
Saguenay/Lac-Saint-Jean, Sherbrooke and Trois-Rivières

Subsidiary:
Pierre Lafleur Leasing Ltd (P.L.L.) (Branches: Montreal, Quebec City)

This subsidiary of Crédit Industriel Desjardins, acquired in 1981, specializes in long-term vehicle leasing to individuals and to businesses.

Accepted financing
(in millions of $.)



SERVICES

- Term financing
- long-term vehicle leasing

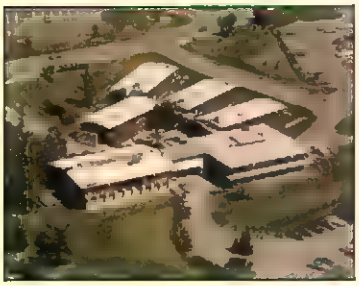
HIGHLIGHTS OF 1983

- February 1: opening in Quebec City of the first branch office of Pierre Lafleur Leasing Ltd;
- March 16: CID series 1 preferred shares were listed on the Montreal Stock Exchange under the heading *CIDes1 pr*, a first for the Desjardins Group;
- October 6: opening in Chicoutimi of CID's 7th branch office, serving the Saguenay/Lac-Saint-Jean region,
- 34% growth in accepted financing (particularly intense activity in the final quarter of 1983);
- an all-time high of $2.1 million in loan losses (an overall percentage of 1.07): this entire sector of financial activities was severely affected by the recession in 1983;
- a nearly 44% rise in net earnings, mainly due to an increase in capitalization in January.

SOME FIGURES			*Annual increase (decrease)*
Total assets		$216,002,000	(7.6%)
Accepted financing		$ 68,252,000	34.1%
Long-term debt		$160,950,000	0.4%
Net interest income on a taxable equivalent		$ 8,846,000	36.2%
Non-interest expenses		$ 7,035,000	40.7%
Net earnings		$ 1,250,000	43.7%
Return on investment		3.38%	
Number of employees	C.I.D.	47	
	P.L.L.	35	
	TOTAL	82	

l'institut coopératif desjardins

ADDRESS
50 avenue des Commandeurs
Lévis, Quebec G6V 4X1
(418) 833-9345



L'Institut Coopératif Desjardins (ICD), founded in 1963, was primarily intended as an adult education center serving the Desjardins Group and the Quebec cooperative movement as a whole. Its physical and pedagogical resources were also made available to interested public and private organizations.

The Institute's facilities, completely renovated in 1981, contain a residence and training center for adults involved in animation, information, long-range thinking, training and self-improvement programs.

SERVICES

The ICD offers its clientele:
- appropriate facilities for various types of educational activities: rooms for classes, conferences and group work, audio-visual equipment, etc.
- residences for the trainees: 64 bedrooms, rest and recreation areas, eight small lounges, a bar-salon and a dining hall...
- a reception and information service to ensure a pleasant stay for individuals and groups.

The Institute is open not only to employees and officers of Desjardins Group institutions but also to any group wishing to make use of an adult education center providing room and board.

HIGHLIGHTS OF 1983

- September: implementation of a cost-cutting plan for administrative and operating expenses;
- December: review of the Institute's orientation by the Confederation's Board of Directors; it was decided to maintain the ICD's mandate and increase the level of use of its facilities for province-wide educational activities aimed at officers and employees of the Desjardins Group;
- sustained effort to promote the Institute's services among outside clienteles.

SOME FIGURES

Assets	$2,938,427
Income from activities	$ 857,548
Room occupancy rate	46.8%
Number of employees	26

la fondation girardin-vaillancourt

HEAD OFFICE
1 Complexe Desjardins (16th floor)
P.O. Box 7, Desjardins Station
Montreal, Quebec H5B 1B2
(514) 281-5921

Established in 1970 to contribute to the advancement of education, culture and social action, la Fondation Girardin-Vaillancourt has a Board of Directors made up of representatives from the Federations and institutions of the Desjardins Group. Its name perpetuates the memory of Emile Girardin and Cyrille Vaillancourt, two key figures in the development of the Desjardins Group and in the history of the Quebec cooperative movement.

Every year, approximately 300,000 young Quebecers participate in the Concours national des jeunes

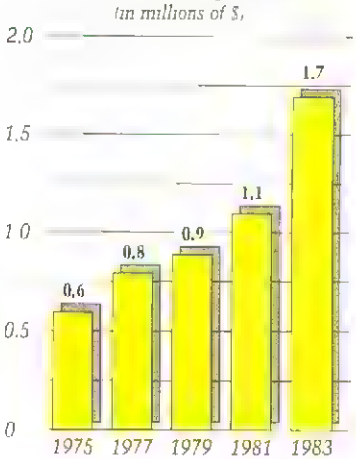
ACTIVITIES

The Foundation's primary role is to award bursaries in the form of scolarships and research grants to students residing in Quebec. Some of these bursaries are earmarked for Desjardins Group personnel. The Foundation also solicits and receives donations from individuals, companies and member institutions of the Desjardins Group to maintain a capital fund, the interest on which covers the costs of the various bursaries it awards.

Apart from its college and university activities, the Foundation is involved in the Concours international des jeunes, the Prix Annuel Desjardins, the Desjardins Art Collection and the Prix Desjardins du journalisme for the regional weekly press.

Growth of the capital fund

(in millions of $)



HIGHLIGHTS OF 1983

- First complete year of management of special programs: the Concours international des jeunes, the Prix Annuel Desjardins and the Desjardins Art Collection;
- signing of a February 14, 1983 agreement whereby la Société des Amis de Maurice L. Duplessis ceded its assets to La Fondation Girardin-Vaillancourt, a donation representing $ 420,000;
- participation of 300,000 young Quebecers in the Concours international des jeunes; 184 community groups or associations were nominated for the Prix annuel Desjardins.

SOME FIGURES	
Capital fund	$1,720,998
Number of bursaries paid	108
Value of bursaries paid	$ 103,500
Donations received in 1983	$ 524,000
Number of employees	4

Société de Développement International Desjardins

HEAD OFFICE
150 avenue des Commandeurs
Lévis, Quebec G6V 6P8
(418) 833-3281

In response to the growing demand for cooperation from development organizations working in Africa and Latin America, the Desjardins Group, with the support of several Quebec cooperative organizations, took the initiative in November 1970 of founding the Compagnie Internationale de Développement Régional Ltée which in 1980 became the Société de développement international Desjardins Ltée (S.D.I.D.).

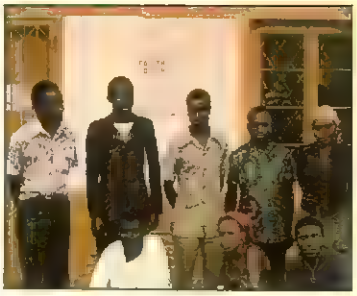
Specializing in rural development in Third World countries, the S.D.I.D. mainly works with cooperative organizations in Africa and Latin America, helping local communities establish and take responsibility for community businesses and institutions that supply their basic needs (food, housing, health and education) and work towards the general improvement of their social and economic conditions.

ACTIVITIES

— Socio-economic or agronomic studies and research,
— animation, popularization and training,
— organizational and management consulting,
— management and implementation of development projects,
— organization and support of cooperatives, especially in savings and credit, farm production and marketing, livestock raising and fishing.

HIGHLIGHTS OF 1983

- Establishment of new institutional relationships in Africa (Ivory Coast, Mali, Rwanda) and Latin America (Honduras, Costa Rica, Ecuador, Bolivia),
- start-up of two institutional cooperation projects: one associating the Fédération des caisses populaires Desjardins du Saguenay — Lac-St-Jean with the Union régionale des caisses populaires de la Bougouriba (Upper Volta), and the other linking caisses populaires in west-end Montreal with an integrated community and cooperative development program in Colombia;
- initiation of permanent coordination between the S.D.I.D., the Cooperative Development Foundation and the World Council of Credit Unions.



The cooperative, and instrument for international solidarity and development.

SOME FIGURES

Assets	$1 161,885
Project income	$2 921,474
Project costs	$2 370,308
Net income	$ 10,954
Number of employees in Quebec	14
Abroad	8
Total:	22

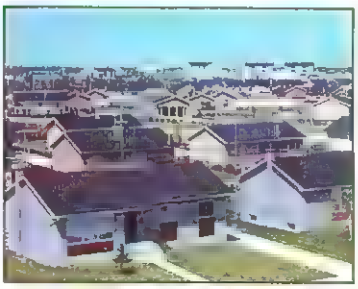
la société d'habitation alphonse desjardins

HEAD OFFICE
150 avenue des Commandeurs
Levis, Quebec G6V 6P8
(418) 835-4322

La Société d'habitation Alphonse Desjardins (S.H.A.D.), a non-profit organization, was founded in 1980 by the Confederation, the Federations and the member institutions of the Confederation. Its main functions are to design, plan and coordinate implementation of the most efficient ways to use the financial instruments of the Group's various entities for housing purposes. On behalf of the Desjardins Group, the S.H.A.D. also oversees the negotiation and application of government housing programs and maintains communication and cooperation with the various governmental and private agencies active in the housing field.

HIGHLIGHTS OF 1983

- Financing of projects involving 6,449 housing units and a total investment of $104.7 million under the Loginove program, through the Caisse network;
- participation with the Quebec Housing Corporation in the development of an integrated program combining the advantages of Logipop, Loginove and Corvée-Habitation;
- participation of nearly 800 Caisses in the Corvée-Habitation housing construction program; the Desjardins Group accounted for approximately 60% of the 20,000 loans granted under this program;
- cooperation in studies leading to the eventual introduction on a province-wide scale of indexed repayment mortgages;
- completion of 57 projects containing 1,536 housing units for a total value of nearly $56 million, through four of six community housing corporations operating at the regional level; these corporations also administer 1,842 other units with a total value of $46.5 million



The Desjardins Group is trying to make it easier for everyone to have access to suitable housing

SOME FIGURES

Assets	$ 82,198
Annual budget for 1983	$409,000
Number of employees	6

CORPORATION DE FONDS DE SÉCURITÉ DE LA CONFÉDÉRATION DESJARDINS

HEAD OFFICE
100 avenue des Commandeurs
Levis, Quebec G6V 7N5

When Alphonse Desjardins developed the organizational and operating principles for caisses populaires, he incorporated a number of safety mechanisms, including the Supervisory Board, the rules governing credit activities, and the obligation of each Caisse to establish a general reserve fund. The enactment of legislation governing savings and credit cooperatives, the emergence of internal regulations and the establishment of inspection and audit services gradually consolidated these mechanisms and introduced new precautionary and preventive measures.

SECURITY FUNDS

In 1949, the Desjardins Group established a security fund, as yet another means to weather difficult periods and protect itself, its Caisses and their members.

A unique organization, the Corporation de fonds de sécurité de la Confédération Desjardins (C.F.S.C.D.) was created on February 27, 1980 to take over the responsibilities, rights and obligations of earlier security funds. The Corporation is governed by regulations, policies and procedures clearly established in accordance with the provincial law concerning security fund corporations (Bill 53, 1979).

FUNCTIONS

The law and the regulations empower and oblige this Corporation:

- to establish and administer a security, liquidity and mutual aid fund for the caisses populaires and caisses d'économie affiliated with the Confederation's member Federations;
- to assist in the payment of any losses incurred by the members in the event of a Caisse's liquidation.

The Corporation is intended to serve as a means of last resort, intervening only when a Caisse has exhausted its own reserves and the normal channels of assistance it can obtain from its Federation.

SOURCE OF FUNDS

To ensure that it can meet these obligations, the Corporation may impose an annual levy on the affiliated Caisses in accordance with its needs. Caisses which have benefitted from the Corporation's support during difficult periods are also required to pay a special contribution to the security fund once they have restored their solvency.

CONCRETE COMMITMENTS

In addition to subsidizing Caisses which require its assistance to remain solvent, the Corporation closely monitors all cases in which it has had to intervene and helps the Caisses to put their operations back on a sound financial footing. The Corporation pays professional fees to the Confederation to cover the costs of preventive inspection visits and to keep a constant watch on the records of the Caisses concerned.

In the course of its activities, Corporation works closely with the Federations, particularly when a Caisse has to be placed under temporary trusteeship.

The Desjardins security fund provides depositors with protection over and above what they are guaranteed by the Régie de l'assurance-dépôts du Québec under the province's deposit insurance plan. The Corporation pays all contributions to the Régie levied on the Caisses under the terms of this plan.

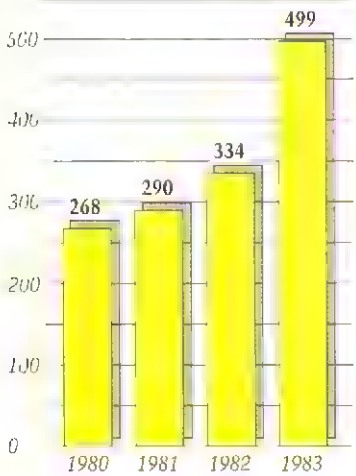
Each Caisse also benefits from a supplementary integrity insurance plan, on which the Corporation pays the premiums.

SECURITE DESJARDINS LTEE

HEAD OFFICE
59 avenue Bégin
Lévis, Quebec G6V 4C3
(418) 835-4211

In 1965 the predecessor of Le Groupe Desjardins, Assurances générales, then known as La Société d'assurance des Caisses Populaires decided, in its capacity as the insurer of the Desjardins Group's Caisses and other organizations, to establish a security service responsible for crime prevention, guard services and investigation. An affiliate of the Confederation since early 1980, this service became Sécurité Desjardins Ltée on February 2, 1982.

Number of employees



ACTIVITIES

The essential role of Sécurité Desjardins is to promote and ensure personal safety, secure facilities and protection of property and valuables within the Desjardins Group. Its main activities therefore focus on crime prevention: inspecting Caisses and physical facilities, and training local Caisse personnel in prevention, surveillance and guard functions. An investigation branch on 24-hour call works with police forces to solve cases of fraud and theft.

Since 1982, the company has also included a division specializing in the transportation of valuables by armoured trucks, which not only supplies caisses populaires and caisses d'économie with currency but also services many non-Desjardins banks and businesses in most regions of Quebec.

HIGHLIGHTS OF 1983

- Relocation of the Company's head office in the building which previously housed the offices of the Fédération des caisses populaires Desjardins de Québec;
- beginning of armoured truck service in the territory of the Fédération de Québec in August, and in the territory of the Fédération de Montréal et de l'Ouest-du-Québec in September;
- expansion of the company's fleet of trucks and development of commercial clientele.

SOME FIGURES		*Annual increase (decrease)*
Assets	$13,627,815	248.6%
Number of employees	499	49.4%
Prevention activities:		
— Surveillance by agents (hours)	481,355	20.7%
— Physical checks	456	(32.2%)
— Preventive visits	418	(45.9%)
— Equipment inspections	112	(59.9%)
— Information meetings	101	65.6%
Number of persons affected by these meetings	2,138	123.2%
Files pertaining to investigations	3,976	40.3%

CORPORATION DESJARDINS DE TRAITEMENT INFORMATIQUE

HEAD OFFICE
1 Complexe Desjardins
Box 1265, Desjardins Station
Montreal, Quebec H5B 1C4

The Corporation Desjardins de traitement informatique (C.D.T.I.) was established in 1981 with the principal mandate of offering electronic data-processing services and the benefits of its know-how to caisses populaires, caisses d'économie and other organizations in the Desjardins Group. It is also responsible for processing the clearing and transit of standard documents such as cheques in transit, standardized computer reports, etc.

ACTIVITIES

To fulfill this mandate, the C.D.T.I. manages a vast telecommunications network linked to high-capacity mainframe computers. The Corporation provides Caisses and other organizations in the Group with data-processing services and assistance in the use of various systems related to their operations:

- the Integrated Caisse System (S.I.C.);
- Desjardins automated teller machines;
- direct deposits and withdrawals;
- the computerized bills collection system (S.I.P.C.);
- the computerized payroll service (S.I.P.);
- the financial information system;
- the Federations' accounting system...

The C.D.T.I. also administers the Desjardins Information Center, which makes hardware and software packages available to the Federations, the institutions and the Confederation and provides them with professional assistance in response to their particular requirements in the collection, processing or analysis of data. Finally, the C.D.T.I. offers various data-processing and consulting services to members and affiliates of the Desjardins Group.

The Integrated Caisse System (S.I.C.) — a means to better management and services

HIGHLIGHTS OF 1983

- At the start of 1983, each Federation became a shareholder in the Corporation;
- the reorganization of clearing operations was completed for the Fédération des caisses d'économie Desjardins du Québec, as well as for the Federations of the Lower Saint Lawrence, Saguenay - Lac-St-Jean and Eastern Townships regions;
- 40 new automated teller machines were added to the Desjardins network.

Desjardins automated teller machines: more than five million transactions in 1983

SOME FIGURES		*Annual increase (decrease)*
Assets	$23,253,660	—
Income	$54,579,624	10%
Net loss	$ 258,849	(19%)
Number of employees	230	
Integrated Caisse System (S.I.C.)		
• number of Caisses	1,385	
• number of accounts	15,236,599	
• on-line processed transactions	305,649,272	
• Inter-Caisses transactions	14,576,247	
• direct deposits or withdrawals	5,153,709	
• automated teller transactions	5,139,834	
Payment items cleared	217,000,000	

centre desjardins de traitement de cartes inc.

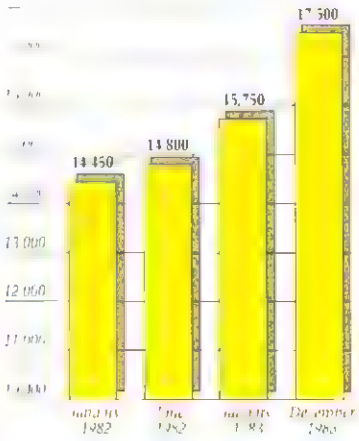
HEAD OFFICE
425 Viger W.
Montreal, Quebec H2Z 1W5
(514) 397-4400

In 1981, the Confederation acquired Visa operations from the Banque Nationale du Canada and obtained franchises for the distribution of VISA products from The Canadian Bank Card Association and from VISA International, in order to provide Caisse members with VISA card services and give itself the capacity for full participation in the development of payment systems. The Confederation then established a new corporation, the Centre Desjardins de traitement de cartes Inc., with the responsibility for this sector's overall management.

ACTIVITIES

The Corporation's main activities concern card issuing operations, processing of VISA Desjardins cardholder accounts, and relations with merchants who have joined the Visa payment system. VISA Desjardins cardholders can generally deal directly with most caisses populaires and caisses d'économie, which also provide the public with internationally-recognized VISA travellers' cheques.

Number of merchants who have joined Visa Desjardins



HIGHLIGHTS OF 1983

- Introduction in late 1983 of VISA Desjardins travellers' cheques, obtainable from most Caisses;
- the number of merchants who have joined VISA Desjardins rose from 15,750 to 17,500, an 11% increase.

*LA CONFEDERATION DES CAISSES POPULAIRES ET D'ECONOMIE DESJARDINS DU QUEBEC.
registered user of this trademark

SOME FIGURES

Annual business volume	$610,733,000
Annual volume of transactions (number)	12,500,000
Number of employees	325

La Société historique Alphonse-Desjardins

ADDRESS
8 avenue Mont-Marie
Lévis, Quebec G6V 1V9
(418) 835-2090

La Société historique Alphonse-Desjardins is a non-profit corporation, founded by the Fédération des caisses populaires Desjardins de Québec on November 1, 1979 with the following mandate:
- to administer, preserve and encourage historical interest in the house and other property of the late Alphonse Desjardins (1854-1920);
- to publicize the name and achievement of the founder of the caisse populaire movement.

On December 1, 1982, La Société historique Alphonse-Desjardins became a provincial organization affiliated to the Confederation, assuming a share of the responsibility for the perpetuation of the past and future heritage of the entire Desjardins Group.

THE ALPHONSE-DESJARDINS HOUSE

This house was built between 1882 and 1884 for Mr. Desjardins, who lived there with his family until his death in 1920. His wife resided there for twelve more years, willing it upon her death to their daughter Albertine, who made it her home until May 1939, shortly after donating it to the Fédération des caisses populaires Desjardins de Québec on November 19, 1938.

Quebec's first caisse populaire began operations in the kitchen of this Lévis house on January 23, 1901. Until Mr. Desjardins' death, his home was the nerve centre of the fledgling caisse populaire movement.

INFORMATION CENTER

Title to the house was transferred to La Société historique Alphonse-Desjardins on October 14, 1981. After being restored during the following year, the house was officially inaugurated on November 5, 1982 and can now accommodate researchers and individual and group visits. A number of areas have been reserved for the display of historical documents or objects. Visits can be arranged by reservation.

HIGHLIGHTS OF 1983

- Recognition of the Alphonse Desjardins House as a historic monument by the Quebec Ministry of Cultural Affairs;
- celebration of the first anniversary of the House's opening to the public, around the theme of "the clergy in the history of the founding and administration of the first caisses populaires";
- publication of a pamphlet on the history of the Alphonse-Desjardins House.

One employee,
1632 visitors in 1983

A MAJOR ECONOMIC FORCE

The description of the Desjardins Group in this report is of course incomplete. A publication of this size does not permit a detailed description of all the services and activities of the Group's many components, nor an elucidation of all the economic, educational, cultural and social spinoffs generated by this immense product of the collective endeavours of more than three and a half million Quebec residents.

This outline has the additional limitation of being fragmented, since for the purposes of clarity the operations and performance of a wide range of Desjardins institutions and groups of institutions have to be presented as if they were separate and detached from each other.

AN OVERALL ECONOMIC PICTURE

While it is impossible to provide a truly complete picture of the Desjardins Group's network of cooperative and financial institutions, we will nevertheless attempt to highlight some of the most important implications of its economic activity.

Consolidation of the financial data of the caisses populaires, caisses d'économie, Federations and other institutions allows us to arrive at the following conclusions, once internal transactions have been accounted for to eliminate overlaps.

As at December 31, 1983, the Desjardins Group represented:

• $18.4 billion in savings

A vast pool of savings belonging to millions of citizens from every community and region in Quebec, mainly in the form of savings and chequing accounts, non-chequing savings accounts and term deposits, but also in retirement savings plans, guaranteed deposit certificates, pension funds, and life insurance and pension plan securities. In addition to playing an important role in individual and family financial security, these savings represent a potent factor in economic and social development when transformed into loans and investments.

• $3.8 billion in investments

An imposing sum that serves the entire community through the federal and provincial governments, Hydro-Québec, municipalities, school boards, parishes, colleges, hospitals and other public services. This figure also includes the considerable amounts invested in the development of commercial and industrial corporations and cooperatives.

• $14.4 billion in loans

Loans to consumers and producers are a major stimulus to economic growth, generating the purchase and sale of goods and services by companies, institutions and individuals, providing impetus to key industries such as construction, creating jobs, fuelling the circulation of wealth and participating in the development of general prosperity, one of the consequences of which is the improvement of material living conditions. The chain reaction triggered by the Caisses' lending operations has a wide range of positive and long-lasting effects on society as a whole.

• $20 billion in assets

A vital economic force, consolidated by substantial cash reserves, numerous cooperation and control mechanisms and an enormous membership base (more than 4,900,000 members-folios in the Caisses). The undepreciated net value of fixed assets alone represents some $440 million, and generates major disbursements each year for maintenance, improvements or renovations, property taxes, etc.

Finally, it is revealing to note that the Desjardins Group paid out more than $480 million in salaries and benefits to its employees in 1983.

• a vast network of services and resources

The Desjardins Group is more than a reservoir of capital - it is a vast network of services and resources.

Its members and the general population are served by more than 22,500 employees from no less than 1800 service outlets throughout Quebec, guided and supported by the volunteer efforts of 18,900 officers elected by and from the members.

The Desjardins record is impressive, not only because of the scale of its structures and its past achievements, but because of the inestimable importance of its continuing role in the vital interchange of human, technical, material and financial resources and its formidable potential for fuelling projects initiated by the members, both individually and collectively.

THE DESJARDINS GROUP AS AT DECEMBER 31, 1983*

Presence	
• Caisses populaires Desjardins Caisses d'économie Desjardins Caisses Desjardins de financement	1,428
• auxiliary counters	240
• Desjardins automated teller machines	75
• offices of Desjardins institutions and head offices	67
Total number of service outlets	**1,810**
• members	3,500,000
• folios	4,950,000
• elected officers	18,900
• employees	22,500
Savings	
• Caisses, Federations, Caisse Centrale	$16,552,304,000
• Fiducie du Québec: guaranteed funds	$ 793,614,000
Desjardins funds	$ 94,916,000
• Assurance-vie Desjardins	$ 626,861,000
• La Sauvegarde Compagnie d'assurance sur la vie	$ 373,277,000
Total savings	**$18,440,972,000**
Investments	
• Canada, Provinces, Hydro-Québec	$ 946,121,000
• Municipal and school corporations	$ 529,892,000
• Cooperatives, businesses and industries	$ 138,198,000
• Colleges, parishes, hospitals, public services	$ 186,132,000
• Treasury Bills, term deposits, etc.	$ 1,819,845,000
Subtotal	**$ 3,620,188,000**
• shares and capital stock	$ 213,297,000
Total consolidated investments	**$ 3,833,485,000**
Loans	
• to individuals	$ 2,531,414,000
• housing	$ 8,143,482,000
• farming and fishing	$ 921,990,000
• commercial and industrial corporations and cooperatives	$ 2,249,630,000
• public bodies and other purposes	$ 644,233,000
Total loans	**$14,490,749,000**
Fixed assets	**$ 439,790,000**
TOTAL CONSOLIDATED ASSETS	**$20,042,400,000**

**Unaudited data.*

Source. La Confederation des caisses populaires et d'economie Desjardins du Quebec 1984 03-14.

WORKING CLOSELY WITH THE COMMUNITY

Because of its cooperative nature, the Desjardins Group is closely involved with the communities in which it is present. The dedicated commitment of thousands of volunteer officers representing the members has enabled the Caisses to constantly adapt their services and development to the needs of the individuals, families and communities they serve.

SOCIAL AND ECONOMIC ACTION

The cooperative and democratic principles on which the Caisses operate not only make their economic activities relevant to local needs, they also imply that all the important concerns of the groups in which they are formed are spontaneously integrated into their objectives. The Caisses' financial operations are a natural extension of each community's progress, closely associating the Caisses with a wide range of economic, social, cultural and sports activities and initiatives.

This often underrated contribution is supported and complemented on the regional and provincial levels by the activities of the many other organizations that make up the Desjardins Group.

AN INSTRUMENT OF PERSONAL AND COMMUNITY PROGRESS

Far from being an impersonal conglomeration of exclusively financial interests, the Desjardins Group, through the nature of its services and the fact that it is both owned and administered by its members, is an innovator in economic action and a flexible and efficient instrument for meeting its members shared aspirations.

In the cooperative concept, human beings are free, independent and responsible individuals who nevertheless have a fundamental need for fellowship and for a dynamic balance between their personal goals and the common good that will provide them with reasonable potential for self-fulfillment. Cooperatives try to help each of their members to develop their own resources while at the same time involving them in a broader sphere of action guaranteeing the progress of the participants and of their community as a whole.

SHARED RESPONSIBILITIES OF MEMBERS AND THEIR COOPERATIVES

In order to properly serve its members and maintain high quality operations, the Desjardins Group must ensure that its network of institutions remains financially stable and profitable. At the same time, it has the responsibility to propagate cooperative ideas and values, serving as the promoter, defender and training ground for democracy, solidarity, dignity and individual and collective responsibility.

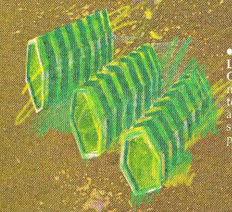
The Desjardins Group will only be able to optimize its accomplishment of this dual mission on the basis of the consent and active involvement of its members, who remain the cornerstone of its structures and the fountainhead of its active potential. The Group's institutions are well equipped to meet the challenge of the future with the appropriate spirit of resolution required to accomplish the work ahead.

la confédération des caisses populaires et d'économie desjardins du québec

THE DESJARDINS GROUP

(March 1984)

• Approximately 3,500,000 MEMBERS who jointly own the Caisses and use their services. The fundamental reason for the existence of the Desjardins Group is to ensure that their financial needs are properly met.

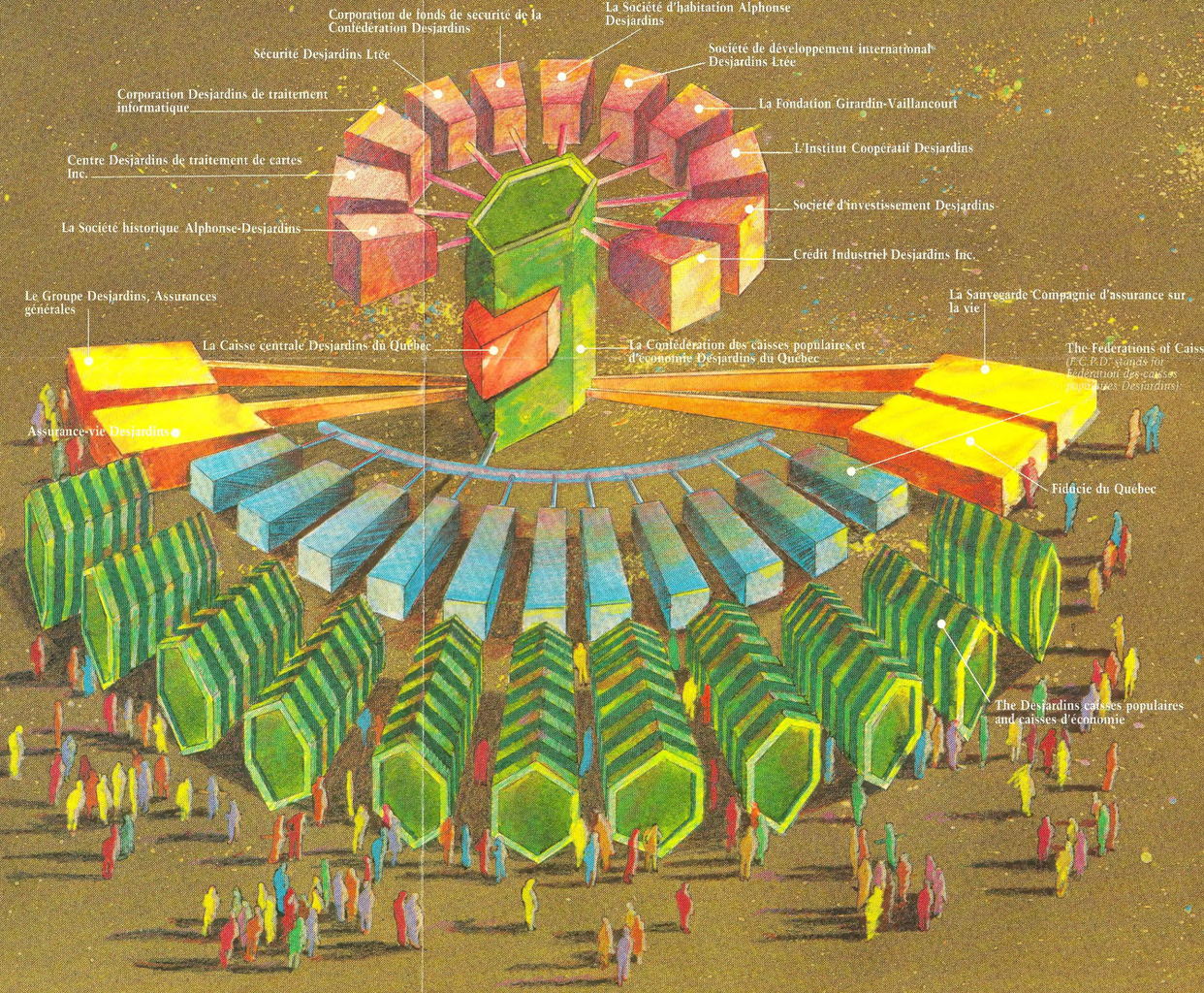


• 1,415 DESJARDINS CAISSES POPULAIRES AND CAISSES D'ÉCONOMIE, savings and credit cooperatives made up of individuals who freely join together to meet their personal, family and collective needs through common services, provided by non-profit corporations.

• 10 REGIONAL FÉDERATIONS OF CAISSES POPULAIRES AND ONE PROVINCIAL FÉDERATION OF CAISSES D'ÉCONOMIE, associations dedicated to preserving and promoting the goals of their member Caisses, which they support in the development and improvement of membership services.

• 4 MEMBER INSTITUTIONS OF THE CONFÉDÉRATION, offering specialized financial services to members of the Caisses and to the Québec public as a whole, and collectively owned by the Caisses and their Fédérations.

• LA CAISSE CENTRALE DESJARDINS DU QUÉBEC, the central financial agent of the Desjardins Group which it represents in financial transactions with the Bank of Canada and with the other members of the Canadian Payments Association, as well as with the major Canadian and international financial markets.

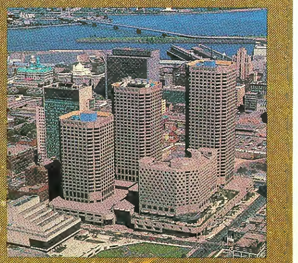


• LA CONFÉDÉRATION DES CAISSES POPULAIRES ET D'ÉCONOMIE DESJARDINS DU QUÉBEC, the organization within the Desjardins Group which is responsible for the orientation, planning, coordination and supervision of all the Group's activities. The Confédération is also the Group's official spokesman.

• 11 INSTITUTIONS AFFILIATED TO THE CONFÉDÉRATION. Some of these organizations provide common services to all entities in the Group (data processing, security, etc.), while others concentrate on highly-specialized financial activities (term lending to companies, investment, etc.). Still others channel the Group's resources into such sectors as international development, housing, education, culture and social action.

— F.C.P.D. du centre du Québec (139 Caisses)
— F.C.P.D. de Québec (328 Caisses)
— F.C.P.D. de Montréal et de l'Ouest-du-Québec (346 Caisses)
— F.C.P.D. de la Péninsule et des Îles (44 Caisses)
— F.C.P.D. de l'Estrie (79 Caisses)
— F.C.P.D. du Bas Saint-Laurent (81 Caisses)
— F.C.P.D. du Saguenay - Lac Saint-Jean (70 Caisses)
— F.C.P.D. de l'Abitibi (42 Caisses)
— F.C.P.D. de Richelieu-Yamaska (76 Caisses)
— F.C.P.D. de Lanaudière (47 Caisses)
— Fédération des caisses d'économie Desjardins du Québec (163 Caisses)

Cité Desjardins, in Levis.



Complexe Desjardins, Montreal.

société sid d'investissement desjardins

SID AND ITS PARTNERS

Confederation, Federations and institutions of the Desjardins Group 85.76%	Caisse de dépôt et placement du Québec 14.24%

SOCIÉTÉ D'INVESTISSEMENT DESJARDINS (SID)

Crédit Industriel Desjardins Inc.
72%

Pierre Lafleur Leasing Ltd

Culinar Inc.
52%

- Pastry and Confectionery Division
- Culinar Foods Inc.
- The Resto Group Inc.
- Les Rôtisseries Le Coq Rôti Inc.

Canam Manac Inc.
38%

- Canam Steel Inc.
- Canam Steel Corporation (U.S.A.)
- Biltrite Furniture Ltd
  Biltrite Furniture Mfg USA Ltd (U.S.A.)
  Elite-Biltrite Systems Inc.
- Manac Inc.
  Manac Financial Services Inc.

La Vérendrye Management Corporation
21%

TRUCKING

- Tremblay Express Ltd
- Location Brazeau Ltée
  Transport Brazeau Inc.
  Lane's Transport (Toronto) Ltd
  Salaberry Cartage Ltd
  Dulex Inc.
  P. Dickson Trucking Ltd
  Cross Canada Carrier Corp.

TELEVISION AND RADIO BROADCASTING

- Télé-Capitale Ltée
- Entreprises Télé-Capitale Ltée
- Téle-Capitale Unicom Ltée
- Telé-Inter-Rives Ltée

AVIATION

- Québec Aviation Ltée

Sico Inc.
53%

- Commercial Division
- Industrial Division
- Novax Division
- Crown Diamond Paints Limited
- Sico Coatings Corp. (U.S.A.)
  Nu-Brite Chemical Company (U.S.A.)

Société de Gestion Sidly Inc.
49%

- Inspectronic Inc.
- Lab-teq Inc.
- Sonexeau Inc.

Provost Corporation Ltd
22%

TRUCKING

- Les Transports Provost Inc.
- François Nolin Ltée
- Quinnsway Transport Ltd
- Coastal Bulk Transport Ltd
- Brunswick Petroleum Transport Ltd

HELICOPTERS

- Les Hélicoptères La Vérendrye Inc.
- Hélicoptères Viking Ltée

ENVIRONMENT

- Environcorp (1983) Inc.
- Les Systèmes anti-pollution GMG Ltée

RETAIL SALES

- Société Générale de Services S.G.S. (1983) Inc.

Nordair Ltd
13%

- Treasure Tours (Canada) Ltd
- Les Voyages Treasure Tours Inc.

la confédération des caisses populaires et d'économie desjardins du québec

CF-07896-103 (06-84)

desjardins

CF-07896-102 (06-84)